

6 guidelines to protect your trade secrets

HR plays an important role in protecting your organization's trade secrets and other proprietary information. In a hot economy, it's more important than ever to have an ironclad confidentiality agreement to make sure your intellectual property doesn't walk out the door with them if employees change jobs.

Don't take employees' discretion for granted! Instead, establish clear policies concerning the confidentiality of sensitive information.

Confidentiality policy

Use the following language to introduce your proprietary information and confidentiality policy.

Employees understand and agree that in the course of employment, they will receive information on projects, practices, customers and potential customers that is confidential in nature. Employees agree to maintain the strict confidence of such proprietary information both during and after the term of employment.

You may want to augment your confidentiality policy with a legally binding noncompete agreement. See ["How noncompete agreements can legally protect your interests"](#) for more information.

Enforce it!

Here are some key steps for enforcing a confidentiality policy:

- **Direct supervisors to have one-on-one conversations** about confidentiality with each worker, since each one probably accesses sensitive information slightly differently. *The goal:* Make sure they understand exactly what they are obligated to keep confidential.
- **Explain situations** in which employees may unwittingly reveal protected information. Disclosure is often inadvertent.
- **Utilize other security safeguards** beyond your policy. *Examples:* Computer passwords, locked file cabinets and coded documents. Ensure that confidential documents are clearly marked as confidential.
- **Make it perfectly clear** that work-related ideas belong to the company, not the employee.
- **Reiterate the reason** for the policy and the consequences for violating it.
- **Be prepared to act.** Serious violations may require going to court to uphold a noncompete agreement or to prosecute information theft.

Confidentiality: Alternative policy language

Any disclosure or use of any trade secret, proprietary or confidential information—whether verbally, in writing or disseminated via social media—other than disclosure in connection with XYZ's business or as specifically

authorized in writing by XYZ, could be highly detrimental to XYZ and could result in serious loss of business and damage to XYZ. You are required to hold in the strictest confidence all trade secrets, proprietary and confidential information unless you receive specific written authorization from XYZ.